THE MODERATING EFFECT OF FIRM SIZE ON CORPORATE GOVERNANCE PRACTICES WITH FIRM'S CAPITAL STRUCTURE

FAHED A. ABDLAZEZ

A thesis submitted in
fulfillment of the requirement for the award of the
Doctor of Philosophy

Faculty of Technology Management and Bussiness
UNIVERSITI TUN HUSSEIN ONN MALAYSIA
86400 Parit Raja, Johor

December, 2016

This thesis is dedicated to my beloved parents and my close friends who encouraged and inspired me to seek my higher education to my fullest capacity.

ACKNOWLEDGEMENT

In the name of Allah most gracious most merciful

Praise be to Allah, the lord of the worlds. And the blessings and the peace be upon the last messenger of Allah, Mohammed (peace be upon him).

I would like to thank God Almighty, praise be to Him Who has given me perseverance and patience in my study.

Our Prophet said. ―Who doesn't thank people doesn't thank Allah ".

First of all, I would like to take this opportunity to express my deep appreciation to those who have helped me reach this academic achievement. First, I am forever grateful to my Supervisor, **Prof. Madya Dr Nor Hazana Binti Abdullah**, for her understanding and mentoring as well as her willingness to counsel me, review my work, comment and advise and also for her patience, encouragement and very kind treatment. She has provided much support and I am therefore very happy and proud to have had **Prof. Madya Dr Nor Hazana Binti Abdullah** as my Director of Studies. I will remember her forever.

In addition, I would like to thank my Co-supervisor**, Dr Shafie Bin Mohamed Zabri** for his useful and valuable comments during. His comments contributed to shaping this research. Above all, I would like to thank him for his kindness and valuable help at all times.

ABSTRACT

Risk of corporate failure exists in every industry in Malaysia and it is worsening in tandem with economic crisis in 1997. A total number of companies that are delisted from the last 25 years suggest that the delisting of companies is very high. The main reason for delisting of such companies was poor credit performance and lack of control. Clearly, firms are unable to face the unexpected changes in economic and fail to generate profit for the companies. In public-listed companies, shareholders are considered as the owner of the firm and it is important for the managers to work in the benefit of shareholders. In order to monitor managers to work ethically in protecting investors and becoming more transparent to outsiders, there is a need of corporate governance as a monitoring Practice for reducing agency conflict issues especially in making capital structure decisions. Thus, this study aimed to investigate the influence of corporate governance on capital structure among public-listed companies in Malaysia. Using the annual reports of 273 Malaysian public listed firms on the main board of Bursa Malaysia from the year 2008 to 2012, Hierarchical multiple regression analysis were conducted. Corporate governance practices were found to have positive influence on debt equity ratio, long term debt, short term debt and debt ratio of capital structure. However, corporate governance practices influence on debt ratio is not statistically significant. Firm size moderating the relationship between corporate governance variables and capital structure. These findings imply the importance of corporate governance practices to infuse better management practices, effective control and regulatory Practices for efficient utilization of firm's resources.

ABSTRAK

Risiko kegagalan korporat wujud dalam semua jenis industri di Malaysia. Keadaan ini semakin meruncing sejajar dengan krisis ekonomi yang berlaku pada tahun 1997. jumlah syarikat yang dikeluarkan daripada senaraian awam sejak 25 tahun yang lepas juga menunjukkan peningkatan yang ketara. Penyebab utama situasi ini antara lainnya adalah disebabkan oleh kurangnya kawalan dan prestasi kredit yang lemah. Syarikat juga dilihat tidak mampu menghadapi perubahan ekonomi di luar jangkaan serta gagal untuk menghasilkan keuntungan. Bagi syarikat senaraian awam, pemegang saham dilihat sebagai pemilik syarikat dan adalah penting bagi pengurus syarikat untuk berusaha ke arah penjanaan keuntungan kepada pemilik syarikat. Bagi mengawal selia pengurus syarikat untuk berkerja secara beretika serta melindungi pelabur, tadbir urus korporat adalah diperlukan sebagai mekanisme pemantauan bagi mengurangkan isu berkaitan konflik ajensi terutama sekali pembuatan keputusan berkenaan struktur modal. Oleh itu, kajian ini dilaksanakan dengan tujuan untuk menyiasat pengaruh tadir urus korporat ke atas struktur modal dalam kalangan syarikat senaraian awam di Malaysia. Laporan tahunan bagi 273 buah syarikat yang tersenarai di Bursa Malaysia bagi tahun 2008 hingga 2012 digunakan sebagai sumber utama bagi data kajian. Analisis regresi berhierarki dilaksanakan bagi tujuan analisis data. Tadbir urus korporat didapati mempunyai pengaruh positif ke atas nisbah hutang kepada ekuiti, hutang jangka panjang, dan hutang jangka pendek and nisbah hutang di dalam komposisi struktur modal syarikat. Walau bagaimanapun, pengaruh tadbir urus korporat terhadap nisbah hutang syarikat adalah tidak signifikan. Saiz firma juga didapati mempunyai pengaruh sebagai perantara bagi hubungan di antara pembolehubah tadbir urus korporat dan struktur modal. Dapatan ini menunjukkan secara tidak langsung menunjukkan kepentingan tadbir urus korporat dalam menggalakkan pengurusan syarikat yang lebih baik, kawalan efektif dan mekanisma perundangan bagi penggunaan sumber syarikat secara lebih effisien.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

CHAPTER 1

INTRODUCTION

1.1 Introduction

Capital structure of firms has significant influence on the value of the firm to ensure firms sustainability. Many firms often fail to make sufficient liquidity to survive during credit expansion cycles. Furthermore wrong capital structure decision may cause financial distress, liquidation and bankruptcy. In public listed companies, sound corporate governance practices are imperative to control capital structure decisions. Therefore, a study on the impact of corporate governance practices on capital structure is needed.

This chapter intends to provide an overview of the background, problem statement, scope, objective, significance, and potential contributions of the study. The research questions and organization of this thesis are also presented while definitions of key terms used in this study are explained

1.2 Background of the study

Capital structure refers to firm's decision to finance its operation and growth using a blend of equity or debts. Capital structure refers to the different options used by a firm in financing its assets (Bhaduri, 2002). In public listed firms are known as profit oriented firms and serve the purpose of the country's economic performance (Bryson, Forth, and Zhou, 2014). Stock market has been considered as the main source of raising capital and direct investments in association to economic growth. Thus, the capital structures of these firms have significant influence on Malaysian economy. However, to increase capital of public listed companies becomes difficult especially due to high risk premium. Figure.1.1 shows the market capitalization of listed companies in Malaysia to GDP from 2002 to 2012.

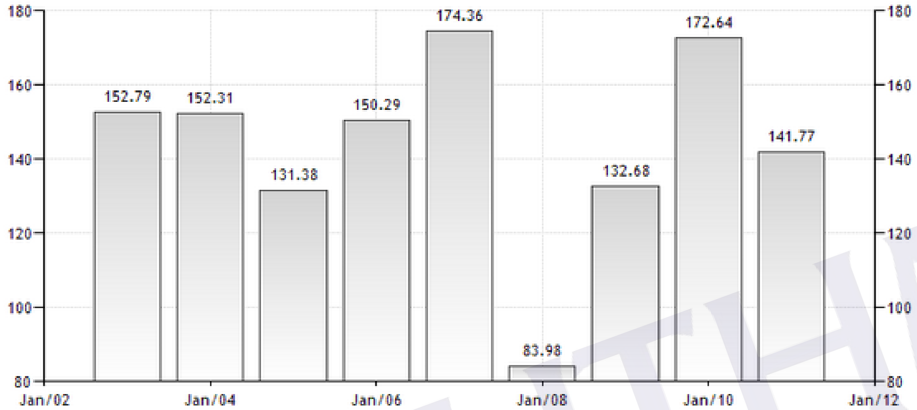

Figure 1.1 Market capitalization of the Malaysian public listed companies
Source: (FMA, 2013)

It is clear that market capitalization of all the listed companies in Malaysia during 2008 was the lowest (FMA, 2013). In 2008 market, capitalization was declined due to stock market crash. Malaysian stock market now is overvalued making the market riskier for investment. Thus, an appropriate management of capital structure may influence corporate performance, which in turn would influence economic growth of Malaysia.

Prior research findings like Flannery and Rangan (2006); Huang and Ritter (2009); Strebulaev (2007), mentioned that the companies use of debt financing and firms' strategic decisions as an important question in finance that has attracted comprehensive hypothetical and empirical research. According to Besley and Brigham (2011) if a firm is able to produce a return on utilized funds that are higher than the fixed price of utilized funds, the stockholders returns are magnified. However, previous studies like Masnoon and Rauf, (2013); Erwan Morellec, Nikolov, and Schürhoff, (2008); Saad, (2010) found positive relationship between corporate governance practices and capital structure determinants, whereas; Friend and Lang, (1988a); Kim, (2011); Wen, Rwegasira, and Bilderbeek, (2002a) found negative relationship between them. This was due to entrenched managers and their decisions. Thus, the relationship between corporate governance and capital structure is still not clear and need further investigation.

Sound corporate governance principles are the foundation upon which the trust of investors and lenders is built. Good corporate governance practices may have significant influence on the strategic decisions of a company, e.g. external financing, that are taken at board level. Therefore, corporate governance variables may have direct influence on capital structure.

1.3 Problem Statement

Karunarathne (2009) Mentioned that earlier warnings to financial distress are very crucial to control credit risk and failure to do so may lead to bankruptcy, liquidation or significant changes in control. According to the article published in Bernama (2010) from 2003 to 2010 a total of 99 companies have been delisted from the official list of Bursa Malaysia 46 due to their embroiled in financial difficulties and financial mismanagement like inefficient, incompetent and wrong distribution of responsibility. The total number of companies that are delisted from the last decade suggests that the range of delisting of companies is high. Pour (2013) mentioned that the companies are delisted comes to the market to rebalance their debt rather than to finance their growth opportunities. During their public life, their leverage remained very high (Modugu, 2013), they could not raise equity capital, and their profitability, growth opportunities, and trading volume declined substantially. Their stock prices decrease significantly on and before the announcement date. The main reason for the delisting of such companies was of poor credit performance and lack of control. This may indicate the important of having corporate governance practices to control capital structure decision to reduce the delisting of the companies.

According to K.Modugu (2013) capital structure decision poses a lot of challenges to firms. Determining a suitable mix of equity and debt is one of the most strategic decisions public interest entities are confronted with. A wrong financing decision has the tendency of stalling the fortunes of any business. Therefore, if managers are to achieve the goal of wealth maximization, conscious steps must be taken in the right direction and at the right time to identify those factors that must be taken into cognizance in determining appropriate financing mix.

Saad (2010) Stated that there are many studies conducted on corporate governance and firm's performance, but there is limited study focuses on influence of corporate governance practices on capital structure. Despite of numerous researches performed in the field of capital structure Myer (1977) examined key determinants of corporate financing, the understanding in this area is still inconclusive. The area of capital structure was found to be not prioritized and no theory was able to encounter the complexity of capital structure independently (Beattie et al. 2006). In addition, El-Masry et al. 2008) reported the understanding of firm's financing as incomplete and inconclusive. Haron (2014) Mentioned that corporate financing structure becomes more complex especially in the developing countries due to control of market by institutional constraints. Capital structure is very important as the decision of choosing debt and equity will affect financial health of a company.

Thus, in order to monitor managers to work ethically protecting investors and becoming more transparent to outsiders, there is a need for a monitoring Practice in the form of corporate governance as a tool for reducing agency conflict issues. Corporate governance as a monitoring Practice have been agreed by previous researchers like (Heng et al. 2012; Islam et al. 2010). In addition, Heng et al. (2012); Bulot et al. 2013) mentioned that if a firm takes false decision about the company's capital structure, it will result in financial distress and lead to bankruptcy.

Studies on the relationship between corporate governance and capital structure have been conducted in several countries like Korea, Tunisia, India, Bangladesh, U.K, Thailand and New Zealand. However, in developing countries (Li and Broshko, 2006), only few studies have been conducted focusing on emerging market like Malaysia (Lawal, 2012).

1.4 Research questions

In order to provide better understanding in the area of corporate governance with Malaysian market firms, the main research question for the study is:

What is the influence of corporate governance practices on capital structure of the Malaysian public listed companies? (Will the influence of corporate governance practices on capital structure improve corporate performance and shareholder's confidence on such companies?). The following sub research questions are formulated to guide the study:

1) What are the corporate governance practices among Malaysia public-listed companies?
2) What is the firm's capital structure among Malaysian public-listed companies?
3) What influence does corporate governance practices have on firm's capital structure of Malaysian public-listed companies?
4) Does firm size moderates the relationship between corporate governance practices and firm's capital structure in Malaysian public listed companies?

1.5 Research Objectives

The main purpose of the study is to investigate the contribution of corporate governance practices in enhancing capital structure of Malaysian public listed companies. Due to the existence of agency costs and internal inefficiencies this study adopts agency theory that argues that the purpose of corporate governance practices is to provide assurance to the shareholders by managers that they will try to achieve good marginal growth that are in the interest of shareholders (Jensen and Meckling, 1976). In order to achieve the purpose of the study, the following research objectives are formulated:

1) To identify the corporate governance practices among Malaysian public listed companies.
2) To determine the firm's capital structure of Malaysian public listed companies.
3) To investigate the influence of corporate governance practices on the firm's capital structure of Malaysian public listed companies.
4) To determine whether firm size moderating the relationship between corporate governance practices and firm's capital structure of Malaysian public listed companies.

1.6 Significnace of the study

This study is significant in many aspects. Firstly, this study seeks to add the existing literature on the relationship between corporate governance and capital structure in the context of Malaysian public listed companies. This study also identifies the most important corporate governance practices explaining capital structure of 273 public listed companies in Bursa Malaysia. Corporate governance helps the managers to manage capital structure effectively increasing the trust and confidence of investors and shareholders. The objective of improving capital structure decision through corporate governance activities is to allow both parties (corporate and shareholders) to have effective control without diminishing the motivation of the others. There are several ways to empower the board, but they all have their costs. Financial mismanagement can be overcome by controlling decisions in relation to capital structure with the help of corporate governance practices. Furthermore, it is expected to provide evidence that would serve as important quantitative information into the policies of managing and controlling of capital effectively by the corporate.

1.7 Scope of the Study

Scope of study is based on the Malaysian public listed companies in the Bursa Malaysia. Based on in-depth literature review, this study only includes corporate governance practices such as board size, CEO duality, ownership structure and board meeting. Capital structure in this study only includes debt to equity ratio, debt ratio, long term debt and short term debt. Annual reports from the year 2008 to 2012 were utilized for identifying key concepts of corporate governance practices and capital structure are performed. A study of capital structure involves an examination of long term as well as short term sources of funds that a company utilizes in order to meet its financial requirements.

1.8 Operational Definations

In this study several terms are use following definition:

Corporate governance: This study follows definition provided by Zainal Abidin and Ahmad (2007) "the process and structure used to direct and manage the business and affairs of the company towards enhancing business prosperity and corporate accountability".

Capital structure: According to Šarlija and Harc (2012) capital structure refers to the way the financing activities through a combination of debt and equity. This study defined capital structure as "a specific mixture of debt and equity the firm uses to finance its operations."

CEO duality: refers to the situation when the CEO holds the position of the chairman of the board including the post of CEO (Yan Lam and Kam Lee, 2008).
Ownership structure: it is defined as the distribution of equity with regards to votes and capital but also by the identity of the equity owners (Ang, Cole, and Lin, 2000).

Board size is defined as the number of members in the board or the number of BOD in the company (Cheng, 2008).

Board Meeting is defined is a formal meeting of the board of directors of an organization (Vafeas, 1999).

Board of Director is the member appointed to monitor the activities of the organization and make decisions on behalf of shareholders (Erhardt, Werbel, and Shrader, 2003).

Firm size is the size for a company in a given industry at a given time which results in the lowest production costs per unit of output (Shumway, 2001).

Credit performance is a method of making reciprocity formal, legally enforceable, and extensible to a large group of unrelated people.

1.9 Organization of the thesis

This thesis is divided into five chapters. Chapter One discussed the need to study corporate governance and its relationship with capital structure. It also stresses the background of the study, purpose of the study, research problem, objective and significance of the study followed with the definition of key terms and scope of the study. Chapter Two in particular presents and analyzes empirical evidence on previous studies conducted on relationship between corporate governance and capital structure in general. An examination of capital structure theories and components for capital structure and corporate governance is also presented. Chapter Three provides in detail the parameters and methods used in conducting the study and hence testing the hypotheses. It explains sample selection, data collection procedures and techniques, and statistical tests to be used to analyze the data collected. These detailed descriptions of the research design follow closely the hypotheses formulated for the study, which was presented earlier in the chapter. Chapter Four presents the results of the study. The last chapter, Chapter Five, discusses the findings of the study in depth by comparing the study's findings with previous works, and by relating them to the relevant theory cited in the second chapter. In addition, limitations of the present study and recommendations for practice and future research will be addressed in this chapter.

1.10 Summary

This chapter summarizes the understanding on empirical influence of corporate governance practices on capital structure from 2008 to 2012 among public listed firms in Malaysia. The background establishes the importance of public listed companies in Malaysia and issue related to capital structure and corporate governance.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on the theoretical and empirical literatures on corporate governance practices and capital structure. As the research is on corporate governance and its constructs, it is important to discuss comprehensively both concepts of capital structure and corporate governance.

Section 2.2 discusses on the public listed companies in Malaysia followed by sub sections on the importance of Malaysian public listed firms. Section 2.3 highlights literature review on corporate governance with sub section of corporate governance in Malaysia and theories of corporate governance. Section 2.3 focuses on the literature related to Capital structure followed by sub section on importance of capital structure, theory of capital structure and elements of capital structure. Section 2.5 deals with the relationship between elements of corporate governance with capital structure. Section 2.6 focuses on the controlling variables (firm size) on empirical relationship between corporate governance practices and capital structure. Section 2.7 focus on the previous researches on the constructs of corporate governance and capital structure. Section 2.8 provides the theoretical framework and finally the chapter is summarized in Section 2.10.

2.2 Public listed companies in Malaysia

Public listed companies are limited liability companies that offers its securities for sale to the general public through a stock exchange operating in over the counter market (Timothy, 2013). Malaysian public listed companies have evolved with the changing nature of dominant interest groups. During the early 1950s, public listed companies were set up with the redistributive objectives benefiting to both Bumiputra middle and upper income groups. From the late 1950s to early 1980s, more new public companies were set up with greater momentum (Mohamed, 1995) in order to encourage participation in the modern industrial and commercial sector of the economy that are dominated by foreign entrepreneurs. The privatization era in early 1990s witnesses an increasing number of public-listed companies being established(Jomo and Gomez, 2000). This is because privatization reform programmes would increase the level of microeconomic efficiency and sustain economic growth. By the end of 2006, 56 companies on the Bursa Malaysia were privatized(EPU, n.a). To date Malaysian government is still going strong with privatization in order to decrease the budget deficits of over 5-7 years by reorganizing the public sector to make it more conductive and attractive for private investments (Izumi and Shaw, 2015).

According to Bursa Malaysia the following are the key characteristics of public-listed companies;

- Identifiable core business

Company with good management control and highest ownership along with the principle sources of operating revenue or profit after taxes are eligible for listing in the market provided (MIA, 2012).

- Good management

A company that is managed by highly experienced and qualified managers with continuity well.

- No conflicts of interest

Any conflict of interest situations must be resolved satisfactorily.

- Strong prospects of business

The company must have strong business prospects and involved in the growth of the industry.

- Good financial position

A company with good financial flow from its operation with sufficient working capital will be selected.

- Good corporate governance

The companies that follow good and strong corporate governance policies and practices will be selected and listed in Malaysian stock exchange.

It is important for the companies to have regular and appropriate information disclosure ethically to increase corporate governance practices and increase investor's confidence. Public traded companies raise funds and capital through the sale of debt or equity. Public traded companies are important prior to their existence, it is very difficult to obtain large amount of capital for private firms. The profit on stock or debt is distributed in the form of dividend or capital gain to the stock or bondholders.

The companies listed in Bursa Malaysia are highly clustered and majority of them are big companies with diversified portfolio of business (Ahmad et al. 2003). Thus it can be said that these firms are equally dependent on corporate financial and social responsibility. The distribution of companies listing in Malaysian capital market depends on the quality performance and governance of the firms. The firms that are able to meet the corporate challenges with an effective governance Practice are able to get listed in the stock market.

It is illustrated in Table 2.1 that the classification of the sectors listed in Bursa Malaysia. The classification of sectors enables all the investors to keep informed of the latest developments of the public listed companies in the various sectors of the Bursa Malaysia main market.

The compositions of companies are listed in an alphabetical order with specific codes provided to the companies. Companies that are listed in main market of stock exchange are considered as public listed companies whereas, the companies listed in ACE market are used as a platform of equity and fund raisings for an efficient capital and investments. There are in total 822 public companies listed in Bursa Malaysia until the period of June 2013 (Bursa Malaysia Website, 2014). The established companies with a single unified board will be listed in the main board whereas; technology based companies of all size and sectors will be listed in ACE market as an alternative (Mondovisione, 2009).

The public-listed company's investment in the capital market is regulated to ensure effective and efficient access to investment and providing robust initiative of protecting investors.

Table 2.1 Operational definition of the sectors classified

SECTOR CLASSIFIED	DEFINITION
Consumer Products	Companies that manufacture products for the usage of consumers
Construction	Companies that are involved in constructing infrastructures including buildings, roads and railroads
Closed-End Funds	Close-ended investment entities
Exchange Traded Funds	Open-ended investment entities
Hotels	Companies that provide hospitality services in the form of accommodation, meals and drinks
Finance	Companies that provide services for obtaining and redistributing funds. E.g. Central banks, monetary institutions.
Industrial Products	Companies that manufacture materials for industrial use
Infrastructure Project PLCs	Infrastructure project companies
Mining	Companies engage in exploration extraction, dressing and beneficiating of minerals
Plantations	Companies engage in the cultivation, planting and/or replanting of crops. The processing of agricultural products in factories on farms and plantations is also included if it is not feasible to report separately this activity from production of crops
Properties	Companies invest directly or indirectly in real estate through management or ownership
Real Estate Investment Trusts	Real estate investment trusts or corporations (REITs)
Special Purpose Acquisition Company	Special purpose acquisition companies
Trading/Services	Companies engage in distribution of products and provision of services other than financial services, e.g. banking and insurance
Technology	Companies that provide information technology solutions

Source: Bursa Malaysia Website, (2015)

2.2.1 Importance of public listed companies

Public listed companies play an important role in increasing economy performance of the country (Bai et al. 2004). The companies that are listed in Bursa Malaysia are considered to be one of the trusted and well performing companies and thus it is very important to provide legal framework for the companies to maintain the instruments

REFERENCES

Abdelsalam, O., and El-Masry, A. (2008). The impact of board independence and ownership structure on the timeliness of corporate internet reporting of Irish-listed companies. *Managerial Finance, 34*(12), 907-918.

Abdullah, H., and Valentine, B. (2009). Fundamental and ethics theories of corporate governance. *Middle Eastern Finance and Economics, 4*(4), 88-96.

Abid, G., Khan, B., Rafiq, Z., and Ahmed, A. (2014). Theoretical Perspectives of Corporate Governance. *Abid, G., Khan, B., Rafiq, Z., and Ahmed, A.*

Abor. (2007a). Corporate governance and financing decisions of Ghanaian listed firms. *Corporate Governance, 7*(1), 83-92.

Abor. (2007b). Corporate governance, ownership structure and performance of SMEs in Ghana: implications for financing opportunities. *Corporate Governance, 7*(3), 288-300.

Abor, J. (2005). The effect of capital structure on profitability: an empirical analysis of listed firms in Ghana. *The journal of risk finance, 6*(5), 438-445.

Adams, R. B., Almeida, H., and Ferreira, D. (2005). Powerful CEOs and their impact on corporate performance. *Review of financial studies, 18*(4), 1403-1432.

ADEYEMI, S. B., and OBOH, C. S. (2011). Perceived relationship between corporate capital structure and firm value in Nigeria. *International Journal of Business and Social Science, 2*(19), 131-143.

Agrawal, A., and Knoeber, C. R. (1996). Firm performance and Practices to control agency problems between managers and shareholders. *Journal of Financial and Quantitative analysis, 31*(03), 377-397.

Aguilera, R. V., and Jackson, G. (2003). The cross-national diversity of corporate governance: Dimensions and determinants. *Academy of management Review, 28*(3), 447-465.

Aguilera, R. V., and Jackson, G. (2010). Comparative and international corporate governance. *The Academy of Management Annals*, *4*(1), 485-556.

Ahmad, A. C., Ishak, Z., and Manaf, N. A. (2003). Corporate governance, ownership structure and corporate diversification: Evidence from the Malaysian listed companies. *Asian Academy of Management Journal*, *8*(2), 67-89.

Ahmad, Z., Abdullah, N. M. H., and Roslan, S. (2012). Capital Structure Effect on Firms Performance: Focusing on Consumers and Industrials Sectors on Malaysian Firms. *International Review of Business Research Papers, 8*(5), 137-155.

Ahmed Sheikh, N., and Wang, Z. (2011). Determinants of capital structure: An empirical study of firms in manufacturing industry of Pakistan. *Managerial Finance*, *37*(2), 117-133.

Ajanthan, A., Balaputhiran, S., and Nimalathashan, B. (2013). Corporate Governance and Banking Performance: a Comparative Study between Private and State Banking Sector in Sri Lanka. *European Journal of Business and Management*, *5*(20), 92-100.

Akdal, S. (2011). How do firm characteristics affect capital structure? Some UK evidence. *Some UK Evidence (March 3, 2011)*.

Alagathurai, A. (2013). Impact of Corporate Governance Practices on Firm Capital Structure and Profitability: A Study of Selected Hotels and Restaurant Companies in Sri Lanka. *Research Journal of Finance and Accounting, 4*(10).

Alchian, A. A., and Demsetz, H. (1972). Production, information costs, and economic organization. *The American economic review, 62*(5), 777-795.

Amer, A., Caroline, G., Rosle, M., Rahimie, A., and Lim, S. (2013). Capital Structure Decisions: Evidence from Large Capitalized Companies in Malaysia. *Interdisciplinary Journal of Contemporary Research in Business, 5*(5), 30-49.

Anderson, R. C., Mansi, S. A., and Reeb, D. M. (2004). Board characteristics, accounting report integrity, and the cost of debt. *Journal of Accounting and Economics, 37*(3), 315-342.

Ang, J. S., Cole, R. A., and Lin, J. W. (2000). Agency costs and ownership structure. *The journal of finance, 55*(1), 81-106.

Ang, J. S., and Ding, D. K. (2006). Government ownership and the performance of government-linked companies: The case of Singapore. *Journal of Multinational Financial Management, 16*(1), 64-88.

Antoniou, A., Guney, Y., and Paudyal, K. (2002). *The Determinants of Corporate Capital Structure: Evidence from European Countries*: University of Durham, Department of Economics and Finance.

Anum Mohd Ghazali, N. (2010). Ownership structure, corporate governance and corporate performance in Malaysia. *International Journal of Commerce and Management*, *20*(2), 109-119.

Arbabiyan, A.-A., and Safari, M. (2009). The effects of capital structure and profitability in the listed firms in Tehran Stock Exchange. *Journal of Management Perspective, 33*, 159-175.

Arslan, M., Zaman, R., and Malik, R. (2014). Impact of CEO Duality and Audit Committee on Firm Performance: A Study of Oil and Gas Listed Firms of Pakistan. *Research Journal of Finance and Accounting, ISSN*, 2222-1697.

Bai, C.-E., Liu, Q., Lu, J., Song, F. M., and Zhang, J. (2004). Corporate governance and market valuation in China. *Journal of Comparative Economics*, *32*(4), 599-616.

Baker, and Wurgler, J. (2002). Market timing and capital structure. *The Journal of finance*, *57*(1), 1-32.

Baker, H. K., and Martin, G. S. (2011). *Capital structure and corporate financing decisions: theory, evidence, and practice* (Vol. 15): John Wiley and Sons.

Bancel, F., and Mittoo, U. R. (2004). Cross-country determinants of capital structure choice: a survey of European firms. *Financial management*, 103-132.

Banks, E. (2006). *Finance: the basics*: Routledge.

Barclay, M. J., and Smith, C. W. (1995). The maturity structure of corporate debt. *The journal of finance, 50*(2), 609-631.

Barton, J., and Simko, P. J. (2002). The balance sheet as an earnings management constraint. *The Accounting Review, 77*(s-1), 1-27.

Baskin, J. (1989). An empirical investigation of the pecking order hypothesis. *Financial management*, 26-35.

Berger, P. G., Ofek, E., and Yermack, D. L. (1997). Managerial entrenchment and capital structure decisions. *The journal of finance, 52*(4), 1411-1438.

Bergstresser, D., and Philippon, T. (2006). CEO incentives and earnings management. *Journal of Financial Economics, 80*(3), 511-529.

Besley, S., and Brigham, E. (2011). *Principles of finance*: Cengage Learning.

Bevan, A. A., and Danbolt, J. (2004). Testing for inconsistencies in the estimation of UK capital structure determinants. *Applied Financial Economics, 14*(1), 55-66.

Bhaduri, S.N. (2002). Determinants of capital structure choice: a study of the Indian corporate sector". Applied financial economics, vol. 12, p. 655-665.

Bianco, M., Ciavarella, A., and Signoretti, R. (2011). Women on boards in Italy.

Bodaghi, A., and Ahmadpour, A. (2010). *„The Effect of Corporate Governance and Ownership Structure on Capital Structure of Iranian Listed Companies".* Paper presented at the 7th International Conference on Enterprise Systems, Accounting and Logistics.

Bokpin, G. A., and Arko, A. C. (2009). Ownership structure, corporate governance and capital structure decisions of firms: Empirical evidence from Ghana. *Studies in Economics and Finance, 26*(4), 246-256.

Boone, A. L., Casares Field, L., Karpoff, J. M., and Raheja, C. G. (2007). The determinants of corporate board size and composition: An empirical analysis. *Journal of Financial Economics, 85*(1), 66-101.

Booth, L., Aivazian, V., Demirguc-Kunt, A., and Maksimovic, V. (2002). Capital structures in developing countries. *The journal of finance, 56*(1), 87-130.

Brailsford, T. J., and Yeoh, D. (2004). Agency Problems and Capital Expenditure Announcements*. *The Journal of Business, 77*(2), 223-256.

Brealey and Myers (2002), pp. 622–626 and Owen et al. (1986), pp. 92–98.

Brigham, E., and Ehrhardt, M. (2013). *Financial management: theory and practice*: Cengage Learning.

Brumagim, A. L. (1994). A hierarchy of corporate resources. *Advances in strategic management, 10*(Part A), 81-112.

Bryson, Forth, and Zhou. (2014). Through the looking glass: CEO pay in China's listed companies. *Research based policy analysis*.

Burgstahler, D., and Dichev, I. (1997). Earnings management to avoid earnings decreases and losses. *Journal of Accounting and Economics, 24*(1), 99-126.

Butt, S., and Hasan, A. (2009). Impact of ownership structure and corporate governance on capital structure of Pakistani listed companies. *International Journal of Business and Management, 4*(2).

Carberry, E. J. (2006). *Defending organizational legitimacy after Enron: The symbolic use of stock option accounting.* Cornell University.

Carcello, J. V., Hermanson, D. R., Neal, T. L., and Riley, R. A. (2002). Board Characteristics and Audit Fees*. *Contemporary Accounting Research, 19*(3), 365-384.

Cassar, G. (2004). The financing of business start-ups. Journal of Business Venturing, vol. 19, no.2, pp. 261-283.

Chang, H.-J., Park, H.-J., and Yoo, C. G. (1998). Interpreting the Korean crisis: financial liberalisation, industrial policy and corporate governance. *Cambridge Journal of Economics, 22*(6), 735-746.

Chen, G., Firth, M., and Xu, L. (2009). Does the type of ownership control matter? Evidence from China's listed companies. *Journal of Banking and Finance, 33*(1), 171-181.

Chen, L.-J., and Chen, S.-Y. (2011). The influence of profitability on firm value with capital structure as the mediator and firm size and industry as moderators. *Investment Management and Financial Innovations, 8*(3), 121-129.

Cheng, S. (2008). Board size and the variability of corporate performance. *Journal of Financial Economics, 87*(1), 157-176.

Chiang, H.-t., and Chia, F. (2005). An empirical study of corporate governance and corporate performance. *Journal of American Academy of Business, 6*(1), 95-101.

Chiang, H., He, L.-J., and Shiao, C.-F. (2015). Financial Reports Quality and Corporate Social Responsibility. *Asian Economic and Financial Review, 5*(3), 453-467.

Chin, T., Vos, E., and Casey, Q. (2004). Levels of ownership structure, board composition and board size seem unimportant in New Zealand. *Corporate Ownership and Control, 2*(1), 119-128.

Chirinko, R. S., and Singha, A. R. (2000). Testing static tradeoff against pecking order models of capital structure: a critical comment. *Journal of financial economics, 58*(3), 417-425.

Chitiavi, M. S., Musiega, M. G., Alala, O. B., Douglas, M., and Christopher, M. O. (2013). Capital Structure andCorporate Governance practices. Evidence from Listed Non-Financial Firms on Nairobi Securities Exchange Kenya.

Clarke, T. (2004). *Theories of corporate governance*: Routledge New York.

Clarke, T. (2014). The impact of financialisation on international corporate governance: the role of agency theory and maximising shareholder value. *Law and Financial Markets Review, 8*(1), 39-51.

Coleman, S. (2002). The borrowing experience of black and Hispanic-owned small firms: Evidence from the 1998 Survey of Small Business Finances. *Academy of Entrepreneurship Journal*, *8*(1), 1-20.

Coles, J. W., McWilliams, V. B., and Sen, N. (2001). An examination of the relationship of governance Practices to performance. *Journal of Management*, *27*(1), 23-50.

Conyon, M. J., and Peck, S. I. (1998). Board size and corporate performance: evidence from European countries. *The European Journal of Finance*, *4*(3), 291-304.

Cooke, T. E. (1992). The impact of size, stock market listing and industry type on disclosure in the annual reports of Japanese listed corporations. *Accounting and Business Research, 22*(87), 229-237.

Cooper, D. R., and Schindler, P. S. (2003). Business research methods.

Creswell, J. W. (2013). *Research design: Qualitative, quantitative, and mixed methods approaches*: Sage publications.

Daily, C. M., Dalton, D. R., and Cannella, A. A. (2003). Corporate governance: decades of dialogue and data. *Academy of management Review*, *28*(3), 371-382.

Dalbor, M. C., Kim, A., and Upneja, A. (2004). An initial investigation of firm size and debt use by small restaurant firms. *The Journal of Hospitality Financial Management, 12*(1), 41-48.

Dalton, C. M., and Dalton, D. R. (2005). Boards of directors: Utilizing empirical evidence in developing practical prescriptions. *British Journal of management*, *16*(s1), S91-S97.

Dalton, D. R., Daily, C. M., Johnson, J. L., and Ellstrand, A. E. (1999). Number of directors and financial performance: A meta-analysis. *Academy of Management journal*, *42*(6), 674-686.

Davis, J. H., Schoorman, F. D., and Donaldson, L. (1997). Davis, Schoorman, and Donaldson reply: The distinctiveness of agency theory and stewardship theory (Vol. 22, pp. 611-613): JSTOR.

De Jong, A., Verbeek, M., and Verwijmeren, P. (2011). Firms' debt–equity decisions when the static tradeoff theory and the pecking order theory disagree. *Journal of Banking and Finance, 35*(5), 1303-1314.

de Mesquita, J. M. C., and Lara, J. E. (2003). Capital structure and profitability: the Brazilian case.

Dechow, P. M., Sloan, R. G., and Sweeney, A. P. (1996). Causes and consequences of earnings manipulation: An analysis of firms subject to enforcement actions by the sec*. *Contemporary accounting research, 13*(1), 1-36.

Deesomsak, R., Paudyal, K., and Pescetto, G. (2004). The determinants of capital structure: evidence from the Asia Pacific region. *Journal of Multinational Financial Management*, *14*(4), 387-405.

Degryse, H., and Ongena, S. (2005). Distance, lending relationships, and competition. *The journal of finance, 60*(1), 231-266.

Dehaene, A., De Vuyst, V., and Ooghe, H. (2001). Corporate performance and board structure in Belgian companies. *Long range planning*, *34*(3), 383-398.

Denis, D. J., and Sarin, A. (1999). Ownership and board structures in publicly traded corporations. *Journal of Financial Economics, 52*(2), 187-223.

Dionne, G. (2013). Handbook of Insurance.

Dissanaike, G., Lambrecht, B., and Saragga Seabra, A. (2001). Differentiating debt target from non-target firms: An empirical study on corporate capital structure. *University of Cambridge, JIMS Working Paper*(18).

Donaldson, T., and Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of management Review*, 65-91.

Dothan, M. (2006). Costs of Financial Distress and Interest Coverage Ratios. *Journal of Financial Research*, *29*(2), 147-162.

Driffield, N., Mahambare, V., and Pal, S. (2007). How does ownership structure affect capital structure and firm value? Recent evidence from East Asia1. *Economics of Transition, 15*(3), 535-573.

Du Plessis, J. J., Hargovan, A., and Bagaric, M. (2010). *Principles of contemporary corporate governance*: Cambridge University Press.

Eddleston, K. A., and Kellermanns, F. W. (2007). Destructive and productive family relationships: A stewardship theory perspective. *Journal of Business Venturing*, *22*(4), 545-565.

Ehikioya, B. I. (2009). Corporate governance structure and firm performance in developing economies: Evidence from Nigeria. *Corporate Governance*, *9*(3), 231-243.

Esparanca, J. P. and Gama, A. P. M. (2003). Corporate debt policy of small firms: an empirical (re)examination. Journal of Small Business and Enterprise Development, vol. 10, no. 1, pp. 62-80.

Eisenberg, T., Sundgren, S., and Wells, M. T. (1998). Larger board size and decreasing firm value in small firms. *Journal of Financial Economics*, *48*(1), 35-54.

Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of management Review*, 57-74.

El-Masry, A., Al-Najjar, B., and Taylor, P. (2008). The relationship between capital structure and ownership structure: New evidence from Jordanian panel data. *Managerial Finance, 34*(12), 919-933.

EPU, E. P. U. (n.a). Ninth Malaysia Plan, 2006 - 2010. from http://www.epu.gov.my/en/ninth-malaysia-plan-2006-2010

Erhard, W., and Jensen, M. C. (2014). Putting integrity into finance: A purely positive approach: National Bureau of Economic Research.

Erhardt, N. L., Werbel, J. D., and Shrader, C. B. (2003). Board of director diversity and firm financial performance. *Corporate Governance: An International Review*, *11*(2), 102-111.

Evan, W. M., and Freeman, R. E. (1988). *A stakeholder theory of the modern corporation: Kantian capitalism*.

Faleye, O. (2007). Classified boards, firm value, and managerial entrenchment. *Journal of Financial Economics, 83*(2), 501-529.

Fama, E. F., and French, K. R. (2002). Testing trade-off and pecking order predictions about dividends and debt. *Review of financial studies*, *15*(1), 1-33.

Fama, E. F., and Jensen, M. C. (1983). Agency problems and residual claims. *JL and Econ.*, *26*, 327.

Faulkender, M., and Petersen, M. A. (2006). Does the source of capital affect capital structure? *Review of financial studies, 19*(1), 45-79.

Fernando, A. (2009). *Business Ethics: An Indian Perspective*: Pearson Education India.

Flannery, M. J., and Rangan, K. P. (2006). Partial adjustment toward target capital structures. *Journal of Financial Economics, 79*(3), 469-506.

FMA, F. M. A. (2013). Is KLSE over-valued and how deep is the Correction in the Coming Crash? , from http://samcheekong.blogspot.com/2013/08/one-chart-says-it-all-on-how-severe-our.html

Forbes, D. P., and Milliken, F. J. (1999). Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. *Academy of management Review*, *24*(3), 489-505.

Fosberg, R. H. (2004). Agency problems and debt financing: leadership structure effects. *Corporate Governance, 4*(1), 31-38.

Frank, M. Z., and Goyal, V. K. (2003). Testing the pecking order theory of capital structure. *Journal of financial economics, 67*(2), 217-248.

Freeman, R. E., and Phillips, R. A. (2002). Stakeholder theory: A libertarian defense. *Business ethics quarterly*, 331-349.

Fridson, M. S., and Alvarez, F. (2011). *Financial statement analysis: a practitioner's guide* (Vol. 597): John Wiley and Sons.

Friedman, A. L., and Miles, S. (2002). Developing stakeholder theory. *Journal of Management Studies, 39*(1), 1-21.

Friend, I., and Lang, L. H. (1988a). An empirical test of the impact of managerial self-interest on corporate capital structure. *Journal of finance*, 271-281.

Friend, I., and Lang, L. H. (1988b). An Empirical Test of the Impact of Managerial Self-interest on Corporate Capital Structure. *The journal of finance*, *43*(2), 271-281.

Fulghieri, P., and Lukin, D. (2001). Information production, dilution costs, and optimal security design. *Journal of Financial Economics*, *61*(1), 3-42.

Ganiyu, Y. O., and Abiodun, B. Y. (2012). The impact of corporate governance on capital structure decision of Nigerian firms. *Research Journal in Organizational Psychology and Educational Studies, 1*(2), 121-128.

Garlappi, L., and Huang, J. (2006). Are stocks desirable in tax-deferred accounts? *Journal of Public Economics, 90*(12), 2257-2283.

Ghoshal, S. (2005). Bad management theories are destroying good management practices. *Academy of Management learning and education, 4*(1), 75-91.

Gompers, P., Ishii, J., and Metrick, A. (2003). Corporate governance and equity prices. *The Quarterly Journal of Economics*, *118*(1), 107-156.

Graham. (2000). How big are the tax benefits of debt? *The journal of finance, 55*(5), 1901-1941.

Graham, J. R., and Harvey, C. R. (2001). The theory and practice of corporate finance: Evidence from the field. *Journal of Financial Economics, 60*(2), 187-243.

Graham, J. R., Harvey, C. R., and Rajgopal, S. (2005). The economic implications of corporate financial reporting. *Journal of Accounting and Economics, 40*(1), 3-73.

Gruber, M. J., and Warner, J. B. (2012). Bankruptcy costs: Some evidence. *The journal of finance*, *32*(2), 337-347.

Guest, P. M. (2009). The impact of board size on firm performance: evidence from the UK. *The European Journal of Finance*, *15*(4), 385-404.

Gul, S., Sajid, M., Razzaq, N., and Afzal, F. (2012). Agency cost, corporate governance and ownership structure (the case of Pakistan). *International Journal of Business and Social Science*, *3*(9), 268-277.

Guriev, S., and Kvasov, D. (2009). Imperfect competition in financial markets and capital structure. *Journal of Economic Behavior and Organization*, *72*(1), 131-146.

Haat, M. H. C., Rahman, R. A., and Mahenthiran, S. (2008). Corporate governance, transparency and performance of Malaysian companies. *Managerial Auditing Journal*, *23*(8), 744-778.

Haniffa, R., and Hudaib, M. (2006). Corporate governance structure and performance of Malaysian listed companies. *Journal of Business Finance and Accounting, 33*(7-8), 1034-1062.

Haniffa, R. M., and Cooke, T. E. (2002). Culture, corporate governance and disclosure in Malaysian corporations. *Abacus, 38*(3), 317-349.

Haron, R. (2014). Capital structure inconclusiveness: evidence from Malaysia, Thailand and Singapore. *International Journal of Managerial Finance, 10*(1), 23-38.

HARRIS, M., and RAVIV, A. (1991). The Theory of Capital Structure. *The journal of finance, 46*(1), 297-355.

Hassan Che Haat, M., Abdul Rahman, R., and Mahenthiran, S. (2008). Corporate governance, transparency and performance of Malaysian companies. *Managerial Auditing Journal, 23*(8), 744-778.

Hawawini, G., and Viallet, C. (2010). *Finance for executives: Managing for value creation*: Cengage Learning.

Heng, T. B., Azrbaijani, S., and San, O. T. (2012). Board of Directors and Capital Structure: Evidence from Leading Malaysian Companies. *Asian Social Science, 8*(3), p123.

Hillman, A. J., and Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of management Review, 28*(3), 383-396.

Hillman, A. J., Withers, M. C., and Collins, B. J. (2009). Resource dependence theory: A review. *Journal of management*.

Holderness, C. G. (2009). The myth of diffuse ownership in the United States. *Review of financial studies, 22*(4), 1377-1408.

Holmström, B., and Roberts, J. (1998). The boundaries of the firm revisited. *The Journal of Economic Perspectives, 12*(4), 73-94.

Hovakimian, A., Hovakimian, G., and Tehranian, H. (2004). Determinants of target capital structure: The case of dual debt and equity issues. *Journal of Financial Economics, 71*(3), 517-540.

Hovey, M., Li, L., and Naughton, T. (2003). The relationship between valuation and ownership of listed firms in China. *Corporate Governance: An International Review, 11*(2), 112-122.

Huang, R., and Ritter, J. R. (2009). Testing theories of capital structure and estimating the speed of adjustment. *Journal of Financial and Quantitative analysis, 44*(02), 237-271.

Huse, M. (2008). *The value creating board: Corporate governance and organizational behaviour*: Routledge.

Hussainey, K., and Aljifri, K. (2012). Corporate governance Practices and capital structure in UAE. *Journal of Applied Accounting Research, 13*(2), 145-160.

Ireland, R. D., Hoskisson, R. E., and Hitt, M. A. (2009). *The management of strategy*: South-Western Cengage Learning Mason, OH.

Islam, M. Z., Islam, M. N., Bhattacharjee, S., and Islam, A. Z. (2010). Agency problem and the role of audit committee: Implications for corporate sector in Bangladesh. *International journal of Economics and Finance, 2*(3), p177.

Izumi, T., and Shaw, R. (2015). *Disaster Management and Private Sectors: Challenges and Potentials*: Springer.

Jain, P. K., and Khan, M. (2005). *Basic financial management*: Tata McGraw-Hill.

Javeed, A., Hassan, M., and Azeem, M. (2014). Interrelationship among Capital Structure, Corporate Governance Measures and Firm Value: Panel Study from Pakistan. *Pakistan Journal of Commerce and Social Sciences, 8*(3), 572-589.

Jensen, and Meckling. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305-360.

Jensen, M. (2010). Value maximization, stakeholder theory, and the corporate objective function. *Journal of applied corporate finance*, *22*(1), 32-42.

Jensen, M. C. (2001). Value Maximisation, Stakeholder Theory, and the Corporate Objective Function. *European Financial Management*, *7*(3), 297-317.

Jensen, M. C. (2005). Value maximization, stakeholder theory, and the corporate objective function. *Journal of applied corporate finance*, *14*(3), 8-21.

Jensen, M. C. (2012). The modern industrial revolution, exit, and the failure of internal control systems. *The journal of finance, 48*(3), 831-880.

Jensen, M. C., and Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, *3*(4), 305-360.

Jensen, M. C., and Warner, J. B. (1988). The distribution of power among corporate managers, shareholders, and directors. *Journal of Financial Economics, 20*, 3-24.

Jiraporn, P., Kim, Y. S., and Davidson III, W. N. (2008). Multiple directorships and corporate diversification. *Journal of Empirical Finance*, *15*(3), 418-435.

Jensen, M. C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *The journal of finance, 48*(3), 831-880.

Johnson, S. A. (1997). An empirical analysis of the determinants of corporate debt ownership structure. *Journal of Financial and Quantitative analysis, 32*(01), 47-69.

Jomo, K., and Gomez, E. T. (2000). The Malaysian development dilemma. *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*, 274-303.

Joeveer, K. (2005). What Do We Know about the Capital Structure of Small Firms? Working Paper Series, Prague, Center for Economic Research and Graduate Education, Charles University, pp. 1-38.

Jung, K., Kim, Y. C., and Stulz, R. M. (1996). Timing, investment opportunities, managerial discretion, and the security issue decision. *Journal of financial economics, 42*(2), 159-186.

Kanatas, G., and Qi, J. (2001). Imperfect Competition, Agency, and Financing Decisions*. *The Journal of Business, 74*(2), 307-338.

Karunarathne, R. (2009). *Corporate governance and corporate failure: a survival analysis.* University of Moratuwa.

Kayhan, A., and Titman, S. (2007). Firms' histories and their capital structures. *Journal of Financial Economics, 83*(1), 1-32.

Kenny, D. A., Gomes, S., & Kowal, C. (2015). The Intergroup Social Relations Model: ISRM. Group Dynamics: Theory, Research, and Practice, 19, 152-165.

Khadaroo, I., and Shaikh, J. M. (2007). Corporate governance reforms in Malaysia: insights from institutional theory. *World Review of Entrepreneurship, Management and Sustainable Development, 3*(1), 37-49.

Kim, Guyot, D., and Westad. (2002). *Multivariate data analysis: in practice: an introduction to multivariate data analysis and experimental design*: Multivariate Data Analysis.

Kim, R. (2011). *A study on capital structure and corporate governance.* University of Illinois at Urbana-Champaign.

Kim, Y., Liu, C., and Rhee, S. G. (2003). The relation of earnings management to firm size. *Social Science Research Network.*

King, D. R., Dalton, D. R., Daily, C. M., and Covin, J. G. (2004). Meta-analyses of post-acquisition performance: Indications of unidentified moderators. *Strategic Management Journal, 25*(2), 187-200.

Kirchmaier, T., and Grant, J. (2005). Corporate ownership structure and performance in Europe. *European management review, 2*(3), 231-245.

Kisgen, D. J. (2006). Credit ratings and capital structure. *The journal of finance, 61*(3), 1035-1072.

Klein, P., Shapiro, D., and Young, J. (2005). Corporate governance, family ownership and firm value: the Canadian evidence. *Corporate Governance: An International Review, 13*(6), 769-784.

Krishnaswami, S., Spindt, P. A., and Subramaniam, V. (1999). Information asymmetry, monitoring, and the placement structure of corporate debt. *Journal of Financial Economics, 51*(3), 407-434.

Kuo, H.-C., Wang, L.-H., and Liu, H.-W. (2012). Corporate Governance and Capital Structure: Evidence from Taiwan SMEs. *Review of Economics and Finance*.

La Rocca, M. (2007). The influence of corporate governance on the relation between capital structure and value. *Corporate Governance, 7*(3), 312-325.

Lawal, B. (2012). Board Dynamics and Corporate Performance: Review of Literature, and Empirical Challenges. *International Journal of Economics and Finance, 4*(1), p22.

Leary, M. T., and Roberts, M. R. (2010). The pecking order, debt capacity, and information asymmetry. *Journal of Financial Economics, 95*(3), 332-355.

Leland, H. E., and Toft, K. B. (1996). Optimal capital structure, endogenous bankruptcy, and the term structure of credit spreads. *The journal of finance, 51*(3), 987-1019.

Lemmon, M. L., Roberts, M. R., and Zender, J. F. (2008). Back to the beginning: persistence and the cross-section of corporate capital structure. *The journal of finance*, *63*(4), 1575-1608.

Li, K., and Broshko, E. B. (2006). Corporate governance requirements in Canada and the United States: A legal and empirical comparison of the principles-based and rules-based approaches. *Sauder School of Business Working Paper*.

Lipton, M., and Lorsch, J. W. (1992). A modest proposal for improved corporate governance. *The business lawyer*, 59-77.

López Iturriaga, F. J. (2005). Debt ownership structure and legal system: an international analysis. *Applied Economics, 37*(3), 355-365.

Madan, K. (2007). An analysis of the debt-equity structure of leading hotel chains in India. *International Journal of Contemporary Hospitality Management, 19*(5), 397-414.

Mahrt-Smith, J. (2005). The Interaction of Capital Structure and Ownership Structure*. *The Journal of Business, 78*(3), 787-816.

Malatesta, D., and Smith, C. R. (2014). Lessons from resource dependence theory for contemporary public and nonprofit management. *Public Administration Review*, *74*(1), 14-25.

Masnoon, M., and Rauf, M. (2013). Impact of Corporate Governance on Capital Structure-A Study of KSE Listed Firms. *Global Management Journal for Academic and Corporate Studies, 3*(1), 94-110.

McCahery, J. A., and Vermeulen, E. P. (2010). *Corporate governance of non-listed companies*: Oxford University Press.

MIA. (2012). A Practical Guide to listing on Bursa Malaysia. http://www.mia.org.my/new/downloads/professional/regulatory/sc_bursa/knowledge/2012/Practical_Guide_to_Listing_SMEs.pdf

Mitton, T. (2002). A cross-firm analysis of the impact of corporate governance on the East Asian financial crisis. *Journal of Financial Economics, 64*(2), 215-241.

Modigliani, F., and Miller, M. H. (1958). The cost of capital, corporation finance and the theory of investment. *The American economic review, 48*(3), 261-297.

Mohamed, R. (1995). Public enterprises. *P ivatizing Malaysia: Rents, Rhetoric, Realities. Westview Press, Boulder, CO*.

Mondovisione. (2009). Bursa Malaysia: Main and ACE markets to come on stream 2009. Retrieved from http://www.mondovisione.com/media-and-resources/news/bursa-malaysia-main-and-ace-markets-to-come-onstream-3-august-2009/

Morellec, E., Nikolov, B., and Schürhoff, N. (2008). *Corporate governance and capital structure dynamics: Evidence from a structural estimation.* Paper presented at the AFA meeting paper.

Morellec, E., and Schürhoff, N. (2011). Corporate investment and financing under asymmetric information. *Journal of Financial Economics*, *99*(2), 262-288.

Myers, S. C. (1984). Capital structure puzzle: National Bureau of Economic Research Cambridge, Mass., USA.

Myers, S. C. (2003). Financing of corporations. *Handbook of the Economics of Finance*, *1*, 215-253.

Myers, S. C., and Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information that investors do not have. *Journal of Financial Economics*, *13*(2), 187-221.

Nahar Abdullah, S. (2004). Board composition, CEO duality and performance among Malaysian listed companies. *Corporate Governance: The international journal of business in society*, *4*(4), 47-61.

Nandelstadh, A., and Rosenberg, M. (2003). Corporate governance and firm performance: Evidence from Finland: Working Paper.

Nazir, M. S., Aslam, A., and Nawaz, M. M. (2012). The Impact of CEO Duality on Capital Structure: A Case from Non-Financial Sector of Pakistan. *American Journal of Scientific Research*, *56*, 5-12.

Nelson, M. W., Elliott, J. A., and Tarpley, R. L. (2002). Evidence from auditors about managers' and auditors' earnings management decisions. *The Accounting Review*, *77*(s-1), 175-202.

Novaes, W., and Zingales, L. (1995). Capital structure choice when managers are in control: Entrenchment versus efficiency: National Bureau of Economic Research.

Omran, M. M., and Pointon, J. (2009). Capital structure and firm characteristics: an empirical analysis from Egypt. *Review of Accounting and Finance, 8*(4), 454-474.

Ong, S.-W., Choong Yap, V., and Khong, R. W. (2011). Corporate failure prediction: a study of public listed companies in Malaysia. *Managerial Finance, 37*(6), 553-564.

Ongore, V. O., and K'Obonyo, P. O. (2011). Effects of selected corporate governance characteristics on firm performance: Empirical evidence from Kenya. *International Journal of Economics and Financial Issues, 1*(3), 99-122.

Ozkan, A. (2001). Determinants of capital structure and adjustment to long run target: evidence from UK company panel data. *Journal of Business Finance and Accounting, 28*(1-2), 175-198.

Padgett, C. (2011). *Corporate governance: theory and practice*: Palgrave Macmillan.

Padilla, A. (2002). Can agency theory justify the regulation of insider trading? *Quarterly Journal of Austrian Economics, 5*(1), 3-38.

Pae, J., and Choi, T. H. (2011). Corporate governance, commitment to business ethics, and firm valuation: Evidence from the Korean stock market. *Journal of Business Ethics, 100*(2), 323-348.

Panfilii, A., and Iulia, P. (2011). Failure of corporate governance–intention or negligence. *Journal of Applied Business Information Systems, 2*(4), 171.

Panigrahi, S. K., Zainuddin, Y., and Azizan, A. (2014). Comparing Traditional and Economic Performance Measures for Creating Shareholder’s Value: a Perspective from Malaysia. *International Journal of Academic Research in Accounting, Finance and Management Sciences, 4*(4), 280-289.

Petra, S. T., and Dorata, N. T. (2008). Corporate governance and chief executive officer compensation. *Corporate Governance: The international journal of business in society, 8*(2), 141-152.

Pfeffer, J., and Salancik, G. R. (1978). The External Control of Organizations: A Resource Dependence Perspective. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship*.

Pfeffer, J., and Salancik, G. R. (2003). *The external control of organizations: A resource dependence perspective*: Stanford University Press.

Phillips, P. A., and Sipahioglu, M. A. (2004). Performance implications of capital structure: evidence from quoted UK organisations with hotel interests. *The Service Industries Journal, 24*(5), 31-51.

Qi, D., Wu, W., and Zhang, H. (2000). Shareholding structure and corporate performance of partially privatized firms: Evidence from listed Chinese companies. *Pacific-Basin Finance Journal, 8*(5), 587-610.

Rajan, R. G., and Zingales, L. (1996). Financial dependence and growth: National Bureau of Economic Research.

Rangan, S. (1998). Earnings management and the performance of seasoned equity offerings. *Journal of Financial Economics, 50*(1), 101-122.

Ranti, U. O. (2013). The Effects of Board Size and CEO Duality on Firms' Capital Structure: A Study of Selected Listed Firms in Nigeria. *Asian Economic and Financial Review, 3*(8), 1033-1043.

Rizov, M. (2008). Corporate capital structure and how soft budget constraints may affect it. *Journal of Economic Surveys, 22*(4), 648-684.

Riportella, C. C. and Martínez, J. C. (2003). ―hat Do We Know About The Financial Behaviour of The Spanish SMEs? An Empirical Analysis. Business Economics, Series 08, Universidad Carlos III de Madrid.

Robb, A. M., and Robinson, D. T. (2014). The capital structure decisions of new firms. *Review of financial studies, 27*(1), 153-179.

Rocheteau, G. (2011). Payments and liquidity under adverse selection. *Journal of Monetary Economics, 58*(3), 191-205.

Ross, S. A. (1973). The economic theory of agency: The principal's problem. *The American economic review*, *63*(2), 134-139.

Saad, N. M. (2010). Corporate governance compliance and the effects to capital structure in Malaysia. *International Journal of Economics and Finance*, *2*(1), 105-114.

Said, R., Hj Zainuddin, Y., and Haron, H. (2009). The relationship between corporate social responsibility disclosure and corporate governance characteristics in Malaysian public listed companies. *Social Responsibility Journal*, *5*(2), 212-226.

Saleh, M., Zulkifli, N., and Muhamad, R. (2010). Corporate social responsibility disclosure and its relation on institutional ownership: Evidence from public listed companies in Malaysia. *Managerial Auditing Journal*, *25*(6), 591-613.

Sarbah, A., and Xiao, W. (2015). Good Corporate Governance Structures: A Must for Family Businesses. *Open Journal of Business and Management*, *3*(01), 40.

Šarlija, N., and Harc, M. (2012). The impact of liquidity on the capital structure: a case study of Croatian firms. *Business Systems Research*, *3*(1), 30-36.

Savita, T. (2012). A Study of Capital structure of a firm. *Advances in Management*, *5*(10), 59-68.

Sayılgan, G., Karabacak, H., and Küçükkocaoğlu, G. (2006). The firm-specific determinants of corporate capital structure: Evidence from Turkish panel data. *Investment Management and Financial Innovations*, *3*(3), 125-139.

Sharma, V. D. (2004). Board of director characteristics, institutional ownership, and fraud: Evidence from Australia. *Auditing: A Journal of Practice and Theory*, *23*(2), 105-117.

Sheikh, N. A., and Wang, Z. (2011). Determinants of capital structure: an empirical study of firms in manufacturing industry of Pakistan. *Managerial Finance*, *37*(2), 117-133.

Sheikh, N. A., and Wang, Z. (2012). Effects of corporate governance on capital structure: empirical evidence from Pakistan. *Corporate Governance, 12*(5), 629-641.

Shibru, W. (2012). *Determinants of Capital Structure of Commercial Banks in Ethiopia.* Addis Ababa University.

Short, H., Keasey, K., and Duxbury, D. (2002). Capital structure, management ownership and large external shareholders: a UK analysis. *International Journal of the Economics of Business, 9*(3), 375-399.

Shumway, T. (2001). Forecasting Bankruptcy More Accurately: A Simple Hazard Model*. *The Journal of Business, 74*(1), 101-124.

Shyam-Sunder, L., and Myers, S. (1999). Testing static tradeoff against pecking order models of capital structure. *Journal of financial economics, 51*(2), 219-244.

Singhvi, N., and Bodhanwala, R. J. (2006). *Management Accounting Text And Cases*: PHI Learning Pvt. Ltd.

Solomon, J. (2007). *Corporate governance and accountability*: John Wiley and Sons.

Srikanth. (2004). A Note on Financial Ratio Analysis.

Strebulaev, I. A. (2007). Do tests of capital structure theory mean what they say? *The journal of finance, 62*(4), 1747-1787.

Sulong, Z., and Nor, F. M. (2008). Dividends, Ownership Structure and Board Governance on Firm Value: Empirical Evidence from Malaysian Listed Firms. *Malaysian Accounting Review, 7*(2).

Sundaram, and Yermack. (2007). Pay me later: Inside debt and its role in managerial compensation. *The journal of finance, 62*(4), 1551-1588.

Sundaram, A. K., and Inkpen, A. C. (2004). Stakeholder theory and “The corporate objective revisited”: A reply. *Organization Science, 15*(3), 370-371.

Timothy, D. (2013). *E-study guide for International Accounting* (3 ed.): Cram101 Textbook Reviews.

Titman, S., and Wessels, R. (1988). The determinants of capital structure choice. *The Journal of finance, 43*(1), 1-19.

Tricker, R. I. (2015). *Corporate governance: Principles, policies, and practices*: Oxford University Press, USA.

Tsuji, C. (2011). An International Survey of the Evidence of the Pecking Order Theory of Corporate Financing. *Business and Economic Research, 1*(1).

Tong, G. and C. Green, J. (2005). Pecking order or trade-off hypothesis? Evidence on the capital structure of Chinese companies. Applied Economics, vol. 37, no. 19, pp. 2179-2189.

Tugba Bas, Gulnur Muradoglu and Kate Phylaktis 2009, 'Determinants of capital structure in Developing Countries', Cass Business School, London.

Uzun, H., Szewczyk, S. H., and Varma, R. (2004). Board composition and corporate fraud. *Financial Analysts Journal*, 33-43.

Vafeas, N. (1999). Board meeting frequency and firm performance. *Journal of Financial Economics, 53*(1), 113-142.

Vafeas, N. (2000). Board structure and the informativeness of earnings. *Journal of Accounting and Public Policy, 19*(2), 139-160.

Vakilifard, H. R., Gerayli, M. S., Yanesari, A. M., and Ma'atoofi, A. R. (2011). Effect of Corporate Governance on Capital Structure: Case of the Iranian Listed Firms. *European Journal of Economics, Finance and Administrative Sciences, 35*, 165-172.

Vassalou, M., and Xing, Y. (2004). Default risk in equity returns. *The journal of finance, 59*(2), 831-868.

Vintilă, G., and Student, L. F. D. P. (2013). *Study on CEO duality and corporate governance of companies listed in Bucharest Stock Exchange.* Paper presented at the Romanian Statistical Review-Supplement-International Symposium.

Viviani, J. L. (2008). Capital structure determinants: an empirical study of French companies in the wine industry. International Journal of Wine Business Research, vol. 20, no. 2, pp. 171-194.

Vo, and Phan. (2013). Corporate Governance And Firm Performance: Empirical Evidence From Vietnam.

Voss, U., and Brettel, M. (2014). The Effectiveness of Management Control in Small Firms: Perspectives from Resource Dependence Theory. *Journal of Small Business Management, 52*(3), 569-587.

Wahba, H. (2015). The joint effect of board characteristics on financial performance: Empirical evidence from Egypt. *Review of Accounting and Finance, 14*(1), 20-40.

Welch, I. (2011). Two Common Problems in Capital Structure Research: The Financial-Debt-To-Asset Ratio and Issuing Activity Versus Leverage Changes. *International Review of Finance, 11*(1), 1-17.

Wen, Y., Rwegasira, K., and Bilderbeek, J. (2002a). Corporate governance and capital structure decisions of the Chinese listed firms. *Corporate Governance: An International Review, 10*, 75-83.

Wen, Y., Rwegasira, K., and Bilderbeek, J. (2002b). Corporate governance and capital structure decisions of the Chinese listed firms. *Corporate Governance: An International Review, 10*(2), 75-83.

Wheeler, D., Fabig, H., and Boele, R. (2002). Paradoxes and dilemmas for stakeholder responsive firms in the extractive sector: lessons from the case of Shell and the Ogoni. *Journal of Business Ethics, 39*(3), 297-318.

Yan Lam, T., and Kam Lee, S. (2008). CEO duality and firm performance: evidence from Hong Kong. *Corporate Governance: The international journal of business in society, 8*(3), 299-316.

Young et al. (2008). Corporate governance in emerging economies: A review of the principal–principal perspective. *Journal of Management Studies, 45*(1), 196-220.

Yusoff, W. F. W., and Alhaji, I. A. (2012). Corporate governance and firm performance of listed companies in Malaysia. *Trends and Development in Management Studies, 1*(1), 43-65.

Zainal Abidin, N. A., and Ahmad, H. (2007). Corporate governance in Malaysia: The effect of corporate reforms and state business relation in Malaysia. *Asian Academy of Management Journal*, *12*(1), 23-34.

Zeitun, R., and Tian, G. (2008). The determinants of capital structure: the case of long-term debt constraint for Jordanian firms. *CORPORATE OWNERSHIP and CONTROL*, 22.

Zoppa, A., and McMahon, R. G. P. (2002). Pecking order theory and the financial structure of manufacturing SMEs from Australia's business longitudinal survey. *Small Enterprise Research, 10*(2), 23-42.

Zwiebel, J. (1996). Dynamic capital structure under managerial entrenchment. *The American economic review*, 1197-1215.